A Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2004



Mark R. Warner Governor

John M. Bennett Secretary of Finance

David A. Von Moll Comptroller

Table of Contents

Introductory Section	
Comptroller's Letter of Transmittal to the Governor	
Financial Overview	
Financial Highlights	
Certificate of Achievement for Excellence in Financial Reporting	
Virginia Economic Highlights	
Organization of Executive Branch of Government	
Organization of Government – Selected Government Officials – Executive Branch	
Organization of the Department of Accounts	25
Financial Section	
Independent Auditor's Report	
Management's Discussion and Analysis	3 [.]
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	44
Statement of Activities	40
Fund Financial Statements	
Balance Sheet – Governmental Funds	50
Reconciliation of the Balance Sheet – Governmental Funds to the	
Government-wide Statement of Net Assets	52
Statement of Revenues, Expenditures, and Changes in Fund Balances –	
Governmental Funds	54
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund	
Balances – Governmental Funds to the Government-wide Statement of Activities	56
Statement of Net Assets – Proprietary Funds	
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	60
Statement of Cash Flows – Proprietary Funds	
Statement of Fiduciary Net Assets – Fiduciary Funds	68
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	69
Statement of Net Assets – Component Units	
Statement of Activities – Component Units	74
Index to the Notes to the Financial Statements	79
Notes to the Financial Statements	80
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –	
General and Major Special Revenue Funds	158
Funding Progress for Defined Benefit Pension Plans	162
Claims Development Information	164
Combining and Individual Fund Statements and Schedules	
Nonmajor Governmental Funds	
Combining Balance Sheet – Nonmajor Governmental Funds	172
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –	
Nonmajor Governmental Funds	176
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances –	
Budget and Actual – Nonmajor Special Revenue Funds	180
Nonmajor Enterprise Funds	
Combining Statement of Net Assets – Nonmajor Enterprise Funds	186
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets –	
Nonmajor Enterprise Funds	190
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	
Internal Service Funds	
Combining Statement of Net Assets – Internal Service Funds	202
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets –	
Internal Service Funds.	206
Combining Statement of Cash Flows – Internal Service Funds	

Combining and Individual Fund Statements and Schedules (continued)	
Fiduciary Funds	
Combining Statement of Fiduciary Net Assets – Private Purpose Funds	
Combining Statement of Changes in Fiduciary Net Assets – Private Purpose Funds	220
Combining Statement of Fiduciary Net Assets – Pension Trust Funds	222
Combining Statement of Changes in Fiduciary Net Assets – Pension Trust Funds	224
Combining Statement of Fiduciary Net Assets – Investment Trust Funds	
Combining Statement of Changes in Fiduciary Net Assets – Investment Trust Funds	227
Combining Statement of Fiduciary Net Assets – Agency Funds	
Combining Statement of Changes in Assets and Liabilities – Agency Funds	232
Nonmajor Component Units	
Combining Statement of Net Assets – Nonmajor Component Units	
Combining Statement of Activities – Nonmajor Component Units	246
Debt Schedules	
Summary Schedule – Total Debt and Other Long-Term Obligations of the Commonwealth	
Tax-Supported Debt and Other Long-Term Obligations	
Debt and Other Long-Term Obligations Not Supported by Taxes	254
Authorized and Unissued Tax-Supported Debt	
Tax-Supported Debt – Annual Debt Service Requirements	256
Tax-Supported Debt – Detail of Long-Term Indebtedness	258
Statistical Section	
Ten-Year Schedule of Revenues and Expenditures – Modified Accrual Basis –	
General Governmental Revenues by Source and Expenditures by Function	268
Computation of Legal Debt Limit and Margin	
Ratio of General Obligation Bonded Debt Per Capita	
Percentage of Annual Debt Service Expenditures for Governmental Debt to Total Expenditures –	
All Governmental Fund Types	271
Schedule of Revenue Bond Coverage – Higher Education Section 9(d) Long-Term Debt	
(Discrete Component Units)	272
Schedule of Revenue Bond Coverage – Selected Discrete Component Units	
Schedule of Revenue Bond Coverage – Other Section 9(d) Long-Term DebtDebt	275
Schedule of Bank Deposits	276
Application of Unclaimed Property Funds	276
Application of Escheat Receipts	277
Schedule of Demographic Statistics	
Comparison of General Fund Balance	278
Schedule of Miscellaneous Statistics	278
Employees of the Department of Accounts	279

Illustrations

Figure 1	General Fund Balance – Basis of Budgeting – Highlighting the	
· ·	Undesignated Fund Balance	8
Figure 2	General Fund Balance – GAAP Basis	8
Figure 3	Analysis of General Fund Revenues and Other Financing Sources	9
Figure 4	Analysis of General Fund Expenditures By Function and Other Financing Uses	9
Figure 5	Analysis of General Fund Balance – Basis of Budgeting versus	
· ·	Modified Accrual Basis	10
Figure 6	Total Outstanding Debt – Primary Government	11
Figure 7	Total Outstanding Debt – Component Units	
Figure 8	Average Daily Invested Balance	
Figure 9	Average Yield on Investments	12
Figure 10	Net Earnings on Investments	12
Figure 11	General Fund – Revenue Dollar	14
Figure 12	General Fund – Expenditure Dollar	15
Figure 13	Unemployment Rate, FY 2002 – FY 2004	17
Figure 14	Nonfarm Employment, FY 2002 – FY 2004	18
Figure 15	Nonfarm Employment, Metropolitan and Non-metropolitan Areas	18
Figure 16	Growth in Jobs and in Real Wages and Salaries	19
Figure 17	Wages and Salaries Per Job	20
Figure 18	Personal Income and Wage and Salary Disbursements	20
Figure 19	Number of New Privately Owned Housing Units Authorized	21
Figure 20	Virginia Retail Sales	
Figure 21	Growth Rate of Adjusted Retail Sales	
Figure 22	Net Assets as of June 30, 2004 and 2003	
Figure 23	Changes in Net Assets for the Fiscal Years Ended June 30, 2004 and 2003	35
Figure 24	Revenues by Source – Governmental Activities, FY 2004	36
Figure 25	Expenses by Type – Governmental Activities, FY 2004	37
Figure 26	Business-Type Activities – Program Revenues and Expenses for the	
	Fiscal Year Ended June 30, 2004	
Figure 27	Capital Assets as of June 30, 2004	40
Figure 28	Outstanding Debt as of June 30, 2004 – General Obligation and	
-	Revenue Bonds	41